

# **NEWS FROM**

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### **Money Tips for College Students: How to Make It, Use It and Save It**

#### **Be aware of the value of compound interest**

Students who begin saving while in high school or college can see their savings soar if they make use of compound interest.

Don't worry if you can't save much at first, because you are just getting used to your money plan. But do try to sock away as much as you can every week or every paycheck. It will add up faster than you think, which will come in handy when you are ready to benefit from compound interest.

When you invest money, that money earns interest. Compound interest is when your money (or your original investment) plus the interest it has earned continues to earn additional interest.

If you start investing early in your life, you can have many more years to take advantage of what Albert Einstein reportedly called "the most powerful force in the universe." And it doesn't take much cash to invest to make big bucks. If you save \$100 a month for 40 years and earn a 12 percent return, you'll wind up with \$980,000. And you don't have to have thousands to start investing. Some plans are as little as a few hundred bucks. So, save away and then let your money work for you for a change.

These tips are brought to you by the Alabama College Loan Program and KHEAA–Alabama, which have helped thousands of students pay for college. For more information about student financial aid and college planning, visit [www.alstudentaid.com](http://www.alstudentaid.com); write KHEAA–Alabama, 100 North Union Street, Suite 308, Montgomery, AL 36104-3761; or call 334-265-9720, toll free (800) 721-9720.